

## Message Text

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PAGE 01 VIENNA 10475 281657Z  
ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 NEA-10 ISO-00  
ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00  
FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05  
OMB-01 PM-04 USIA-06 OES-06 SP-02 SS-15 STR-04  
TRSE-00 ACDA-07 PA-01 PRS-01 /132 W  
-----281708Z 011946 /44

R 281611Z DEC 76  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 0405  
INFO AMEMBASSY ABU DHABI  
AMEMBASSY ALGIERS  
USINT BAGHDAD  
AMEMBASSY CARACAS  
AMEMBASSY JAKARTA  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT  
AMEMBASSY LAGOS  
AMEMBASSY LIBREVILLE  
AMEMBASSY MANAMA  
AMEMBASSY MUSCAT  
AMEMBASSY QUITO  
AMEMBASSY TEHRAN  
AMEMBASSY TRIPOLI

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EO 11652: NA  
TAGS: ENRG, OPEC, AU  
SUBJECT: SEC GEN COMMENTS ON STATE OF OPEC

1. IN PRESS CONFERENCE YESTERDAY, RETIRING OPEC SEC GEN  
FEYIDE ADDED HIS VOICE TO THE MANY COMMENTING ON THE DOHA

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MEETING AND ITS CONSEQUENCES. FEYIDE'S PRINCIPAL THEME--  
WHOSE EXPOSITION WAS OBVIOUS PURPOSE OF THE BRIEFING--WAS  
THAT OPEC EMERGED FROM DOHA "STRONGER THAN EVER". IN  
SUPPORT OF THIS CONCLUSION, FEYIDE REFERRED TO HIS CONVER-  
SATIONS WITH THE OIL MINISTERS WHICH DEMONSTRATED THAT THEIR  
HAD BEEN NO "DISUNITY" OVER THE NEED FOR A PRICE HIKE, ONLY

OVER THE AMOUNT. HE ADDED THAT THE OPEC MEMBERS WOULD TAKE CARE OVER THE NEXT 6 MONTHS TO AVOID ACTION THAT MIGHT JEOPARDIZE THE TWO-TIER PRICING SYSTEM. IN HIS VIEW THERE WAS NO REAL THREAT TO OPEC SOLIDARITY.

2. REGARDING FUTURE STATE OF THE INTERNATIONAL OIL MARKET, FEYIDE SAID IT WAS TOO EARLY TO GAUGE HOW THE KEY VARIABLES WOULD RESPOND. IN HIS OPINION, HOWEVER, THE TWO-TIER PRICING SYSTEM WOULD NOT SIGNIFICANTLY ALTER THE EXISTING MARKET STRUCTURE. THE KEY ELEMENT IN FEYIDE' VIEW WOULD BE WHETHER OR NOT DEMAND CONTINUED AT PRESENT HIGH LEVELS. IF SO, HE SAW NO PROBLEM IN MAINTAINING THE SYSTEM. IF DEMAND DECLINES, NEW FACTORS WHICH CANNOT BE SEEN MAY EMERGE. FEYIDE NOTED THAT IF THE MARKET SITUATION SHOULD CHANGE, THE OPEC MEMBERS MIGHT HOLD A PRICE-FIXING CONFERENCE BEFORE THE MEETING SCHEDULED FOR JULY.

3. FEYIDE SAID THAT NO AGREEMENT HAD BEEN REACHED AMONG ALL OPEC MEMBERS ON THE QUESTION OF PRICE DIFFERENTIALS. HE NOTED, THOUGH, THAT THE OAPEC COUNTRIES HAD REACHED AN "INTERIM SOLUTION" FOR THE REGION ON THIS ISSUE AT THE EARLIER CONFERENCE IN BALI.

4. ACCORDING TO FEYIDE, THE LONG-AWAITED MOVE TO THE SECRETARIAT'S NEW QUARTERS WOULD TAKE PLACE IN THE FIRST QUARTER OF 1977.

5. FEYIDE'S GENERALIZED COMMENTS AND GUARDED ANSWERS TO NOT APPEAR TO HAVE CONVINCED REPORTERS THAT OPEC WAS ROBUST AS SECGEN SOUGHT TO PORTRAY. IN FACT, GENEAL IMPRESSSION LIMITED OFFICIAL USE

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WAS OF DEPARTING SECGEN DELIVERING UNINSPIRING SWAN-SONG FROM ORGANIZATION WHICH HAD SUFFERED HEAVY, BUT NOT MORTAL BODY BLOWS. BUCHANAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**TAGS:** ENRG, AU, OPEC, (FEYIDE, M O)  
**To:** STATE  
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